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PAPERWORK REDUCTION ACT

Burden Estimates Continue to Increase

Statement of J. Christopher Mihm, Director, Strategic
Issues



G A O

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Abstract

I am pleased to be here today to discuss the implementation of the Paperwork Reduction Act of 1995 (PRA). As you requested, I will discuss changes in federal paperwork burden during the past year, with a particular focus on the Internal Revenue Service (IRS) and its small business initiatives. I will also revisit an issue that we have discussed during previous hearingsviolations of the PRA in which information collection authorizations from the Office of Management and Budget (OMB) either expired or were otherwise inconsistent with the acts provisions. In brief, the data indicate that federal paperwork increased by nearly 180 million burden hours during fiscal year 2000the second-largest 1-year increase since the act was passed. This increase is largely attributable to IRS, which raised its paperwork estimate by about 240 million burden hours. The rest of the government decreased its burden estimate by about 70 million burden hours during the fiscal year. Within that non-IRS grouping, some agencies were more successful than others in reducing their paperwork estimates and some increased their estimates. Also, some of the reductions in agencies estimates were not attributable to proactive agency actions to reduce burden. Federal agencies identified a total of 487 violations of the PRA during fiscal year 2000--fewer than the 710 that they identified during fiscal year 1999. However, even though the number of violations appears to be going down, 487 PRA violations in a 1-year period is hardly a cause for celebration. Also, some of these PRA violations have been going on for years, and they collectively represent substantial opportunity costs. As we have said for the past 2 years, we believe that OMB can do more to ensure that agencies do not use information collections without proper clearance.

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In brief, the data indicate that federal paperwork increased by nearly 180 million burden hours during fiscal year 2000—the second-largest 1-year increase since the act was passed. This increase is largely attributable to IRS, which raised its paperwork estimate by about 240 million burden hours. The rest of the government decreased its burden estimate by about 70 million burden hours during the fiscal year. Within that non-IRS grouping, some agencies were more successful than others in reducing their paperwork estimates and some increased their estimates. Also, some of the reductions in agencies' estimates were not attributable to proactive agency actions to reduce burden.

Federal agencies identified a total of 487 violations of the PRA during fiscal year 2000—fewer than the 710 that they identified during fiscal year 1999. However, even though the number of violations appears to be going down, 487 PRA violations in a 1-year period is hardly a cause for celebration. Also, some of these PRA violations have been going on for years, and they collectively represent substantial opportunity costs. As we have said for the past 2 years, we believe that OMB can do more to ensure that agencies do not use information collections without proper clearance.

Background

Before discussing these issues in detail, it is important to recognize that some federal paperwork is necessary and serves a useful purpose. Information collection is one way that agencies carry out their missions. For example, IRS needs to collect information from taxpayers and their employers to know the amount of taxes owed. Last year, the Bureau of the Census distributed census forms to millions of Americans, yielding data that will be used to reapportion congressional representation and for a myriad of other purposes. On several occasions, we have recommended that agencies collect certain data to improve operations and evaluate their effectiveness.¹

However, under the PRA, federal agencies are required to minimize the paperwork burden they impose. The original PRA of 1980 established the Office of Information and Regulatory Affairs (OIRA) within OMB to provide central agency leadership and oversight of governmentwide efforts to reduce unnecessary paperwork and improve the management of information resources. OIRA has overall responsibility for determining whether agencies' proposals for collecting information comply with the act.² Agencies must receive OIRA approval for each information collection request before it is implemented. OIRA is also required to keep Congress "fully and currently informed" of the major activities under the act, and must report to Congress on agencies' progress toward reducing paperwork. To do so, OIRA develops an Information Collection Budget (ICB) by gathering data from executive branch agencies on the total number of "burden hours" OIRA approved for collections of information at the end of the fiscal year and agency estimates of the burden for the coming fiscal year. OIRA published its ICB for fiscal year 2000 (showing changes in agencies' burden-hour estimates during fiscal year 1999) on April 12, 2000—the date of last year's hearing. OIRA officials told us that they did not expect to publish the ICB for fiscal year 2001 until after today's hearing. Therefore, we obtained unpublished data from OIRA to identify changes in

¹See, for example, *Consumer Product Safety Commission: Better Data Needed to Help Identify and Analyze Potential Hazards* (GAO/T-HEHS-98-23, Oct. 23, 1997) and *Managing for Results: Opportunities for Continued Improvements in Agencies' Performance Plans* (GAO/GGD/AIMD-99-215, July 20, 1999).

² The act requires the Director of OMB to delegate the authority to administer all functions under the act to the Administrator of OIRA but does not relieve the OMB Director of responsibility for the administration of those functions. Approvals are made on behalf of the OMB Director. In this testimony, we generally refer to OIRA or the OIRA Administrator wherever the act assigns responsibilities to OMB or the Director.

governmentwide and agency-specific burden-hour estimates during the last fiscal year. We also compared those data to agency estimates in previous ICBs.

“Burden hours” has been the principal unit of measure of paperwork burden for more than 50 years, and has been accepted by agencies and the public because it is a clear, easy-to-understand concept. However, it is important to recognize that these estimates have limitations. Estimating the amount of time it will take for an individual to collect and provide information or how many individuals an information collection will affect is not a simple matter.³ Therefore, the degree to which agency burden-hour estimates reflect real burden is unclear. Nevertheless, these are the best indicators of paperwork burden available, and we believe they can be useful as long as their limitations are kept in mind.

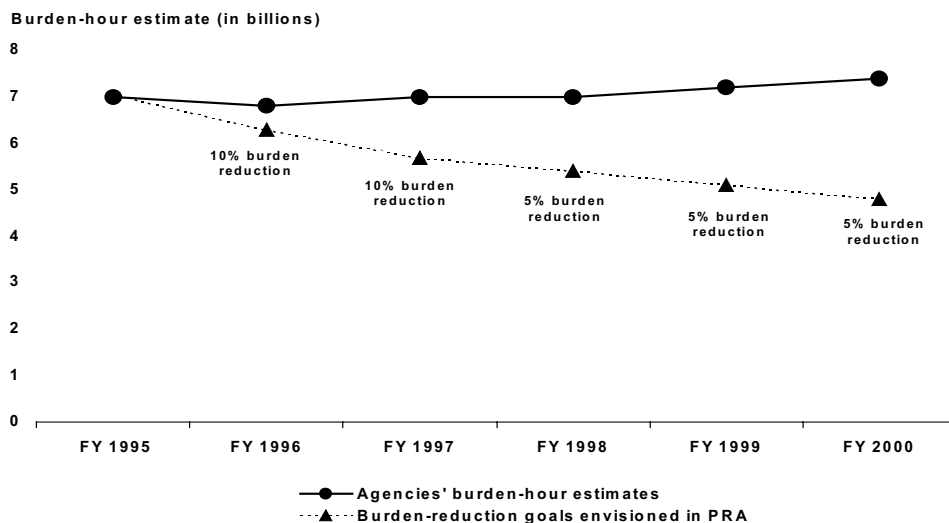
Governmentwide Paperwork Burden Estimate Has Increased

Federal agencies estimated that their information collections imposed about 7 billion burden hours on the public at the end of fiscal year 1995—just before the PRA of 1995 took effect. The PRA made several changes in federal paperwork reduction requirements. One such change required OIRA to set a goal of at least a 10-percent reduction in the governmentwide burden-hour estimate for each of fiscal years 1996 and 1997, a 5 percent governmentwide burden reduction goal in each of the next 4 fiscal years, and annual agency goals that reduce burden to the “maximum practicable opportunity.” Therefore, if federal agencies had been able to meet these goals, the 7 billion burden-hour estimate in 1995 would have fallen 35 percent, or to about 4.9 billion hours, by September 30, 2000.

However, as figure 1 shows, this 35-percent reduction in paperwork burden did not occur. In fact, the data we obtained from OIRA shows that the governmentwide burden-hour estimate has increased by about 5 percent during this period, and stood at nearly 7.4 billion hours as of September 30, 2000. During fiscal year 2000 alone, the governmentwide estimate increased by nearly 180 million hours—the second largest increase in any year since 1995.

³See *EPA Paperwork: Burden Estimate Increasing Despite Reduction Claims* (GAO/GGD-00-59, Mar. 16, 2000) for how one agency estimates paperwork burden.

Figure 1: Governmentwide Burden-Reduction Goals Are Not Being Met

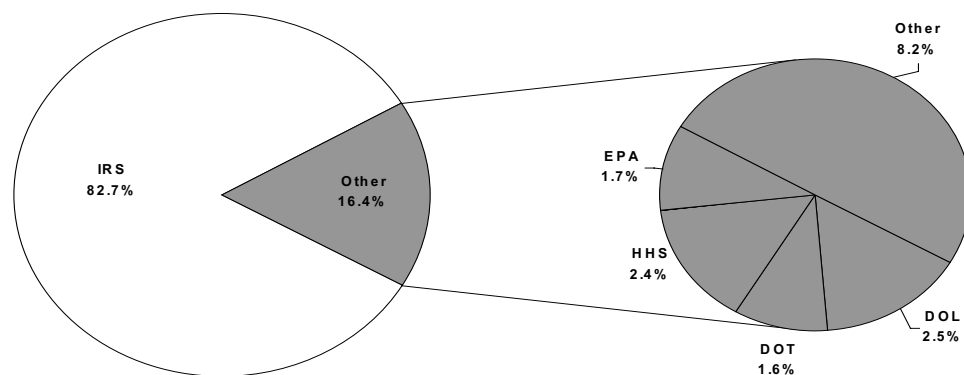


Note: Data are as of the end of each fiscal year.

Source: OIRA and agencies' ICB submissions.

As figure 2 shows, as of September 30, 2000, IRS accounted for about 83 percent of the governmentwide burden-hour estimate (up from about 75 percent in September 1995). Other agencies with burden-hour estimates of 100 million hours or more as of that date were the Departments of Labor (DOL), Transportation (DOT), and Health and Human Services (HHS); and the Environmental Protection Agency (EPA). Because IRS constitutes such a significant portion of the governmentwide burden-hour estimate, changes in IRS' estimate can have a significant—and even determinative—effect on the governmentwide estimate.

Figure 2: IRS Accounted for Most of the Federal Paperwork Burden-Hour Estimate as of September 30, 2000



Legend:

IRS - Internal Revenue Service
 DOL - Department of Labor
 DOT - Department of Transportation
 EPA - Environmental Protection Agency
 HHS - Department of Health and Human Services

Notes: Preliminary data indicate that the governmentwide burden-hour estimate was about 7.4 billion hours as of September 30, 2000. Totals for IRS and Other do not add to precisely 100 percent due to rounding.

Source: OIRA and the Department of the Treasury.

Changes in Agencies' Estimates During Fiscal Year 2000

As table 1 shows, some agencies' paperwork burden estimates decreased sharply during fiscal year 2000, including the Federal Trade Commission (FTC), the Department of Defense (DOD), and DOT. However, other agencies (e.g., the Department of Commerce and EPA) indicated that their paperwork burden had increased. The reasons behind some of these changes are clear. For example, the sharp increase in the Department of Commerce's estimate (from about 14 million hours to more than 38 million hours) appears to be almost entirely attributable to the decennial census.

Table 1: Changes in Federal Agencies' Burden-Hour Estimates From Fiscal Years 1999 to 2000

Burden hours (in millions)								
	FY 1999 Estimate	Program changes				Adjust- ments	Total change	FY 2000 estimate
		New Statutes	Reinstated/ expired	Agency actions	Total			
Governmentwide	7,183.8	73.1	26.2	88.7	188	(10.1)	177.9	7,361.7
Non-Treasury	1,274.8	21.5	26.2	17.1	64.7	(134.5)	(69.8)	1,204.9
Departments								
Agriculture	67.7	0.1	5.1	0.8	6.0	1.5	7.5	75.2
Commerce	14.3	0.3	0.0	23.8	24.1	0.2	24.3	38.6
Defense	111.7	0.0	(0.8)	0.3	(0.5)	(17.7)	(18.1)	93.6
Education	42.1	10.5	0.0	(11.3)	(0.8)	(0.4)	(1.2)	40.9
Energy	4.5	-	(1.5)	0.1	(1.4)	(0.2)	(1.6)	2.9
Health and Human Services	164.4	10.4	(0.3)	1.6	11.7	(1.8)	9.9	174.3
Housing and Urban Development	19.8	-	(6.7)	(0.3)	(6.9)	0.4	(6.6)	13.2
Interior	4.4	0.1	1.0	0.5	1.5	(0.3)	1.3	5.6
Justice	36.6	0.3	(0.1)	(0.4)	(0.2)	0.1	(0.1)	36.5
Labor	196.0	2.0	0.6	(0.4)	2.2	(16.5)	(14.4)	181.6
State	28.9	0.0	0.1	0.2	0.3	0.0	0.3	29.2
Transportation	140.0	0.1	28.3	(0.1)	28.3	(50.7)	(22.4)	117.6
Treasury	5,909.1	51.7	-	71.6	123.3	124.5	247.7	6,156.8
Veterans Affairs	5.3	0.8	0.5	(0.2)	1.0	(0.3)	0.7	6.0
Agencies								
Environmental Protection Agency	118.9	1.0	(0.0)	1.9	2.9	7.0	9.8	128.8
Federal Acquisition Regulations	23.4	-	-	(0.1)	(0.1)	-	(0.1)	23.3
Federal Communication Commission	32.5	0.5	0.1	(5.6)	(5.1)	1.5	(3.6)	28.9
Federal Deposit Insurance Corporation	8.0	0.3	-	0.0	0.3	0.0	0.3	8.3
Federal Emergency Management Agency	5.0	0.5	(0.3)	0.0	0.2	0.0	0.2	5.1
Federal Energy Regulatory Commission	4.0	-	(0.1)	(1.6)	(1.8)	1.5	(0.3)	3.7
Federal Trade Commission	126.6	4.0	0.0	(4.9)	(0.9)	(51.9)	(52.8)	73.8
National Aeronautic and Space Administration	7.3	-	-	0.2	0.2	(0.4)	(0.2)	7.2
National Science Foundation	4.7	-	(0.0)	0.0	-	0.0	0.0	4.8

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Burden hours (in millions)

	FY 1999 Estimate	Program changes				Adjust- ments	Total change	FY 2000 estimate
		New Statutes	Reinstated/ expired	Agency actions	Total			
Nuclear Regulatory Commission	9.5	-	-	0.1	0.1	(0.1)	-	9.5
Securities and Exchange Commission	76.6	0.7	-	0.3	1.0	(5.8)	(4.8)	71.8
Small Business Administration	1.7	-	(0.8)	1.3	0.4	0.0	0.5	2.1
Social Security Administration	21.2	0.0	0.2	0.6	0.8	0.3	1.1	22.4

Note: These data are preliminary figures and have not been approved by OIRA. Data on the Federal Acquisition Regulations were submitted by the General Services Administration. Data from the 27 departments and agencies listed may not equal the governmentwide figure because some smaller agencies' requirements are also included. Cells with "0.0" values were non-zero values rounded to zero. Cells with "-" entries were zero values. Addition of individual elements may not equal totals due to rounding.

Source: OIRA.

These changes in agencies' bottom-line burden-hour estimates do not tell the whole story, and can be misleading. It is also important to understand how the agencies accomplished these results. OIRA classifies modifications in agencies' burden-hour estimates as either "program changes" or "adjustments." Program changes are the result of deliberate federal government action (e.g., the addition or deletion of questions on a form), and can occur as a result of new statutory requirements, agency-initiated actions, or through the expiration or reinstatement of OIRA-approved approved collections. Adjustments are not the result of deliberate federal government action, but rather are caused by factors such as changes in the population responding to a requirement or agency reestimates of the burden associated with a collection of information. For example, if the economy declines and more people complete applications for food stamps, the increase in the Department of Agriculture's (USDA) paperwork estimate is considered an adjustment because it is not the result of deliberate federal action.

Last year was the first time that OIRA indicated in the ICB whether fluctuations in agencies' burden-hour estimates were caused by program changes or adjustments. The data that we obtained from OIRA for the 2001 ICB and that are presented in table 1 also contains those categories, as well as the disaggregation of the program change dimension into its three component parts—new statutes, agency actions, and reinstated or expired collections. Analysis of the data in all of these categories helps explain what drove the changes in agencies' bottom-line burden-hour estimates. For example, almost all of the marked declines in the FTC, DOD, and DOT

estimates during fiscal year 2000 that I mentioned previously were due to adjustments. In fact, DOT's estimate would have increased by more than 28 million hours (due to reinstated collections) without more than 50 million hours in adjustments. Therefore, although all of these agencies' bottom-line burden-hour estimates went down substantially during fiscal year 2000, the agencies cannot claim credit for having proactively reduced the paperwork burden that they impose on the public.

Similarly, some of the increases in the burden-hour estimates do not appear to have been within the agencies' control. For example, the Department of the Treasury said that nearly 40 percent of the 123-million burden-hour increase due to program changes was a function of new statutes enacted by Congress. Also, closer examination of the modest decline in the Department of Education's burden-hour estimate during fiscal year 2000 reveals that the agency would have achieved a nearly 30-percent decline in its paperwork burden due to agency actions (11.3 million burden hours) were it not for an almost totally offsetting increase in burden that the Department said was caused by new statutes.

The table also indicates that although nine of the agencies were able to meet the 5-percent burden-reduction goal for fiscal year 2000 that was envisioned in the PRA, only one—the Federal Communications Commission—did so through program changes that were initiated by the agency. All of the other agencies met the goal either through adjustments or through expirations of collections.

Reasons for Changes in IRS Burden Estimates

Although changes in non-IRS departments and agencies are notable and important, they pale in comparison to the size of the changes at IRS. IRS' burden-hour estimate increased nearly four times as much during fiscal year 2000 as the net decrease from all of the other departments and agencies combined. Therefore, although all agencies must ensure that their information collections impose the least amount of burden possible, it is clear that the key to controlling federal paperwork governmentwide lies in understanding and controlling the increases at IRS.

Almost 95 percent of the nearly 250-million burden-hour increase in the Department of the Treasury's estimate during fiscal year 2000 was attributable to two IRS information collections—Form 1040 and Form 1040A. The agency's estimated burden associated with Form 1040 increased by more than 180 million hours during this period, and the Form 1040A estimate increased by more than 50 million hours. Therefore, it

appears that efforts to control increases in the IRS burden-hour estimate (and, therefore, increases in the governmentwide estimate) should focus on these two collections that appear to be driving the increase.

In the past, IRS said that statutory changes primarily caused the increases in its burden-hour estimates. In the Department of the Treasury's ICB submission for fiscal year 2000, IRS again identified a number of increases that it said were a function of the underlying statutes. For example, IRS said that it added nearly 13 million burden hours to its estimate because of changes to section 132(f) of the Tax Code, implementing provisions of the Taxpayer Relief Act of 1997 (P.L. 105-34) and the Transportation Equity Act for the 21st Century (P.L. 105-178).⁴ However, most of the increases that IRS identified in the ICB submission involved changes made at the initiation of the agency. For example, IRS indicated that it modified Form 1040, along with accompanying worksheets and instructions, and corrected errors in how it was computing the burden of this form. IRS attributed all of the 46 million-hour increase in estimated burden to agency actions.

IRS also indicated in the ICB submission that it had taken a number of actions that are ultimately intended to reduce paperwork burden. For example, IRS said it (1) had developed and led three burden-reduction roundtable discussions during the spring of 2000 focusing on self-employed taxpayers and employment tax burden; (2) had requested and received funding for training employees in customer service, focusing on employees who have face-to-face interaction with taxpayers; and (3) was attempting to simplify commonly used tax forms and instructions, and to develop new taxpayer education materials. Several initiatives were specifically targeted to small businesses. For example, IRS noted that one of the agency's new divisions would focus on education and communication with small businesses and the self employed—groups that the agency said face some of the most complex tax law requirements and file more than twice as many forms and schedules as individual taxpayers. The agency also said that it was working with the Senate Committee on Small Business to survey small business owners to identify the most complex IRS forms, instructions, and other products, and to develop a strategy for review and revision of these products. However, IRS did not indicate that any of these initiatives had resulted in substantive reductions in the agency's burden-hour estimate.

⁴The proposed regulation requires employers to keep documentation with regard to employees who receive qualified transportation fringe benefits.

Finally, IRS noted in the ICB submission that it was developing a new model for estimating taxpayer burden, and that the first burden estimates from the new methodology would be available in 2001. IRS said the new model would, among other things, estimate the impact of a number of factors on taxpayer compliance burden (e.g., tax preparation software and electronic filing); measure the amount of burden on each taxpayer throughout the tax administration process; and measure burden separately for taxpayers who used paid preparers and tax preparation software. Of course, reestimation of burden hours does not affect the actual burden felt by the public.⁵

Agencies Identified Hundreds of Violations

I would now like to turn to the other main topic you asked us to address—PRA violations. The PRA prohibits an agency from conducting or sponsoring a collection of information unless (1) the agency has submitted the proposed collection and other documents to OIRA, (2) OIRA has approved the proposed collection, and (3) the agency displays an OIRA control number on the collection. The act also requires agencies to establish a process to ensure that each information collection is in compliance with these clearance requirements. OIRA is required to submit an annual report to Congress that includes a list of all violations. The PRA says no one can be penalized for failing to comply with a collection of information subject to the act if the collection does not display a valid OMB control number. OIRA may not approve a collection of information for more than 3 years, and there are about 7,000 approved collections at any one point in time.

In the ICB for fiscal year 1999, OIRA listed a total of 872 violations of the PRA. In our testimony before this Subcommittee 2 years ago, we noted that some agencies—USDA, HHS, and the Department of Veterans Affairs (DVA)—had each identified more than 100 violations.⁶ We also noted that OIRA had taken little action to address those violations, and suggested a number of ways that OIRA could improve its performance. For example, we said that OIRA could use its database to identify information collections for which authorizations had expired, contact the collecting agency, and

⁵See, for example, *Paperwork Reduction: Reported Burden Hour Increases Reflect New Estimates, Not Actual Changes* (GAO/PEMD-94-3, Dec. 6, 1993).

⁶*Paperwork Reduction Act: Burden Increases and Unauthorized Information Collections* (GAO/T-GGD-99-78, Apr. 15, 1999).

determine whether the agency was continuing to collect the information. We also said that OIRA could publicly announce that the agency is out of compliance with the PRA in meetings of the Chief Information Officer's Council and the President's Management Council.

The ICB for fiscal year 2000 that was published last year listed a total of 710 PRA violations—down from the 872 in the previous ICB. As we noted in our testimony before the Subcommittee last year, even if the number of violations was going down, 710 violations of the PRA in 1 year is far too many.⁷ USDA and DVA again identified more than 100 violations each, but other agencies such as the Departments of Justice (DOJ) (98 violations) and Housing and Urban Development (HUD) (80 violations) were not far behind. We again concluded that, although OIRA had taken a number of actions to address PRA violations, the Office and the agencies responsible for the collections could do more to ensure compliance.

The preliminary data that OIRA provided for fiscal year 2000 again indicates that the number of PRA violations is declining but is still a serious problem. Table 2 presents the number of information collections in each agency for which OIRA authorizations had expired (and the agencies appear to have continued to collect the information beyond the dates of expiration), other violations (e.g., collections that never received OIRA authorization), and the total number of PRA violations in each agency. Taken together, the 27 department and agencies that OIRA includes in the ICB indicated that 487 of their information collections violated the PRA at some point during fiscal year 2000—again, far too many for 1 year.

⁷*Paperwork Reduction Act: Burden Increases at IRS and Other Agencies* (GAO/T-GGD-00-114, Apr. 12, 2000).

Table 2: Reported Violations of the PRA During Fiscal Year 2000

	Expired information collections	Other violations	Total
Departments			
Agriculture	89	7	96
Commerce	14	2	16
Defense	11	0	11
Education	6	1	7
Energy	6	0	6
Health and Human Services	23	5	28
Housing and Urban Development	99	0	99
Interior	14	11	25
Justice	44	0	44
Labor	16	5	21
State	17	0	17
Transportation	1	4	5
Treasury	5	0	5
Veterans Affairs	40	0	40
Agencies			
Environmental Protection Agency	1	2	3
Federal Acquisition Regulations	0	0	0
Federal Communications Corporation	3	0	3
Federal Deposit Insurance Corporation	1	1	2
Federal Emergency Management Agency	16	4	20
Federal Energy Regulatory Commission	6	0	6
Federal Trade Commission	0	0	0
National Aeronautic and Space Administration	0	0	0
National Science Foundation	0	0	0
Nuclear Regulatory Commission	0	0	0
Securities and Exchange Commission	0	0	0
Small Business Administration	28	0	28
Social Security Administration	0	5	5
Total	440	47	487

Note: The General Services Administration administers the Federal Acquisition Regulations.

Source: OIRA.

HUD and USDA reported the most violations during fiscal year 2000—99 and 96, respectively. The number of violations at HUD increased between fiscal years 1999 and 2000 (from 80 to 99), but the number at USDA went down (from 116 to 96). Other agencies had even more notable reductions in the number of PRA violations. For example, DVA went from 115 violations during fiscal year 1999 to 40 during fiscal year 2000. DOJ went from 98 violations to 44, and violations at HHS dropped from 60 to 28. Overall, the number of violations went down in 15 of the 27 agencies, increased in 6 agencies, and stayed the same in 6 others.

Many of the violations that occurred during fiscal year 2000 had been resolved by the end of the fiscal year. However, many others had been occurring for years and no action had been taken to reinstate those authorizations or discontinue the collections. For example, at the end of fiscal year 2000, six of USDA's collections had been in violation for more than 2 years, and four had been in violation for 3 years. The Department of the Interior indicated that four collections had been in violation for more than 5 years, but no action had been taken to correct them.

Violations and Opportunity Costs

In our testimony 2 years ago, we provided an estimate of the monetary costs associated with 28 PRA violations that had been the subject of correspondence between OIRA and the Subcommittee. To estimate that cost, we multiplied the number of burden hours associated with the violations by an OMB estimate of the "opportunity costs" associated with each our of IRS paperwork. As a result, we estimated that the 28 violations imposed nearly \$3 billion in unauthorized burden on the public. However, we were unable to estimate the opportunity costs of all PRA violations this year or the previous 2 years because the ICBs did not provide information on the number of burden hours associated with each of the violations.

After last year's hearing, OIRA provided the Subcommittee with burden-hour estimates for most of the 710 violations reported in the ICB for fiscal year 2000. Using that information, we developed opportunity cost estimates for the 69 largest collections (those estimated to impose 100,000 burden hours per year) that were in violation of the PRA as of September 30, 1999. We estimated that those 69 violations involved almost 130 million burden hours of paperwork, or about \$3.4 billion in opportunity costs.

Many of the information collections that were in violation of the PRA were being administered for regulatory purposes, so if the respondents knew the collections were not valid they might not have completed the required

forms. However, other violations involved collections in which individuals or businesses were applying for benefits such as loans or subsidies. Therefore, it is not clear whether these individuals and businesses would have refused to complete the required forms if they knew that the collections were being conducted in violation of the PRA.

OIRA Can Do More to Address Violations

As I indicated earlier, OIRA has taken some steps to encourage agencies to comply with the PRA, and those steps appear to be paying off in terms of fewer reported violations overall and within particular agencies. However, we still believe that OIRA can do more. For example, OIRA has added information about recently expired approvals to its Internet home page. As a result, potential respondents are able to inform the collecting agency, OIRA, and Congress of the need for the agency to either obtain reinstatement of OIRA approval or discontinue the collection.

Although notifying the public about unauthorized information collections is a step in the right direction, OIRA's approach places the burden of responsibility to detect unauthorized collections on the public. It is OIRA, not the public, which has the statutory responsibility to review and approve agencies' collections of information and identify all PRA violations. Therefore, we believe that OIRA should not simply rely on the public to identify these violations. For example, OIRA desk officers could use the agency's database to identify information collections for which authorizations had expired, contact the collecting agency, and determine whether the agency is continuing to collect the information. The desk officers could also use the database to identify information collection authorizations that are about to expire, and therefore perhaps prevent violations of the act.

OIRA officials and staff told us that they have no authority to do much more than publish the list of violations and inform the agencies directly that they are out of compliance with the act. We do not agree that OIRA is as powerless as this explanation would suggest. If an agency does not respond to an OIRA notice that one of its information collections is out of compliance with the PRA, the Acting Administrator could take any number of actions to encourage compliance, including any or all of the following:

- Publicly announce that the agency is out of compliance with the PRA in meetings of the Chief Information Officer's Council.
- Notify the "budget" side of OMB that the agency is collecting information in violation of the PRA and encourage the appropriate

resource management office to use its influence to bring the agency into compliance.

- Notify the Vice President of the agency's violation. (The Vice President is charged under Executive Order 12866 with coordinating the development and presentation of recommendations concerning regulatory policy, planning, and review.)
- Place a notice in the *Federal Register* notifying the affected public that they need not provide the agency with the information requested in the expired collection.

OIRA could also notify agencies that the PRA requires them to establish a process to ensure that each information collection complies with the act's clearance requirements. Agencies that continue to collect information without OIRA approval or after the approval has expired are clearly not complying with this requirement. Some agencies do not appear to have established sound clearance processes. Just two agencies—USDA and HUD—accounted 40 percent of all violations.

We recognize that some, and perhaps many, of the information collections that violate the PRA's requirements represent important agency data gathering efforts. As I indicated previously, information collection is one way that agencies accomplish their missions and protect public health and safety. Nevertheless, we do not believe that the goals of information collection and compliance with the PRA's requirements are inconsistent. In fact, the more clearly agencies can demonstrate the value of those collections, the easier it should be for them to obtain OIRA approval. Also, the vast majority of PRA violations are ultimately reauthorized by OIRA, therefore indicating that this is more of a management problem than a substantive issue of rogue information collections.

We also recognize the limitations that OIRA faces, with an ever-increasing workload and limited resources. However, we do not believe that the kinds of actions we are suggesting would require significant additional resources. Primarily, the actions require a commitment to improve the operation of the current paperwork clearance process. Also, OIRA cannot eliminate PRA violations by itself. Federal agencies committing these violations need to evidence a similar level of resolve.

Mr. Chairman, this completes my prepared statement. I would be pleased to answer any questions.

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